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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

DOCKETED

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IN THE MATTER OF THE APPLICATION OF  
GILA BEND POWER PARTNERS, L.L.C.  
AND ITS ASSIGNEES IN CONFORMANCE  
WITH THE REQUIREMENTS OF ARIZONA  
REVISED STATUTES SECTIONS 40-360.03  
AND 40-360.06 FOR A CERTIFICATE OF  
ENVIRONMENTAL COMPATIBILITY  
AUTHORIZING CONSTRUCTION OF ONE  
500KV TRANSMISSION LINE AND  
ASSOCIATED SWITCHYARD  
COMPONENTS IN MARICOPA COUNTY,  
ARIZONA ORIGINATING AT THE  
HASSAYAMPA SWITCHYARD NEAR THE  
PALO VERDE NUCLEAR GENERATING  
STATION WEST OF PHOENIX, ARIZONA  
(SECTION 15, TOWNSHIP 1 SOUTH,  
RANGE 6 WEST, G&SRB&M) AND  
TERMINATING AT THE JOJOBA  
SWITCHYARD (SECTION 25, TOWNSHIP 2  
SOUTH, RANGE 4 WEST) A DISTANCE OF  
APPROXIMATELY 20 MILES

DOCKET NO. L-00000V-02-0119

CASE NO. 119

**GILA BEND POWER PARTNERS'  
NOTICE OF FILING  
APPLICATION FOR EXTENSION  
OF CERTIFICATE OF  
ENVIRONMENTAL  
COMPATIBILITY**

Gila Bend Power Partners, L.L.C., respectfully submits the attached Application for Extensions of Certificates of Environmental Compatibility, Request for Expedited Treatment, and, to the Extent Necessary, Interim Extensions. The Application is also being filed in the dockets for Line Siting Cases Nos. 106 and 109 (Dockets Nos. L-00000V-00-0106 and L-00000V-00-0109).

...

1 RESPECTFULLY SUBMITTED this 7<sup>th</sup> day of January, 2011.

2 LEWIS AND ROCA

3  
4 *Matthew G. Bingham*

5 Thomas H. Campbell

6 Albert H. Acken

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8 40 N. Central Avenue

9 Phoenix, Arizona 85004

10 Attorneys for Gila Bend Power Partners, L.L.C.

11 ORIGINAL and thirteen (13) copies were  
12 filed this 7<sup>th</sup> day of January, 2011, with:

13 Arizona Corporation Commission  
14 Hearing Division – Docket Control  
15 1200 West Washington Street  
16 Phoenix, Arizona 85007

17 COPY of the foregoing was hand-delivered  
18 this 7<sup>th</sup> day of January, 2011, to:

19 Lynn Farmer, Chief Administrative Law Judge  
20 Hearing Division  
21 Arizona Corporation Commission  
22 1200 W. Washington Street  
23 Phoenix, Arizona 85007

24 Steven Olea, Director  
25 Utilities Division  
26 Arizona Corporation Commission  
1200 W. Washington Street  
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1 Janice Alward, Chief Counsel  
2 Legal Division  
3 Arizona Corporation Commission  
4 1200 W. Washington Street  
5 Phoenix, Arizona 85007

6 COPY of the foregoing was mailed  
7 this 7<sup>th</sup> day of January, 2011, to:

8 Kenneth Sundlof  
9 Jennings, Strouss & Salmon, P.L.C.  
10 The Collier Center, 11<sup>th</sup> Floor  
11 201 E. Washington Street  
12 Phoenix, Arizona 85004-2385

13 John J. Foreman  
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17 Phoenix, Arizona 85007

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BEFORE THE ARIZONA CORPORATION COMMISSION

GILA BEND POWER PARTNERS' APPLICATION FOR EXTENSIONS OF  
CERTIFICATES OF ENVIRONMENTAL COMPATIBILITY,  
REQUEST FOR EXPEDITED TREATMENT, AND,  
TO THE EXTENT NECESSARY, INTERIM EXTENSIONS

Gila Bend Power Partners, L.L.C. ("GBPP") respectfully requests that the time period to construct facilities authorized by the Certificates of Environmental Compatibility ("CECs") issued by the Arizona Power Plant and Transmission Line Siting Committee and approved and amended by the Arizona Corporation Commission ("Commission") in Line Siting Cases Nos. 106, 109, and 119, be extended until April 11, 2018.

**I. Procedural Background**

Case No. 106 (Docket No. L-00000V-00-0106) involves GBPP's application for a CEC authorizing the construction of a natural gas-fired, combined cycle generating plant, switchyard, and related facilities in the Town of Gila Bend, Maricopa County, Arizona (the "Gila Bend Power Plant"). The Commission granted a CEC for these facilities in Decision No. 63552, and extended GBPP's authorization to construct the Gila Bend Power Plant in Decision No. 69177. GBPP's authorization to construct the Gila Bend Power Plant will expire on February 7, 2011, unless the Commission extends the time limitation as permitted by Decision No. 69177.<sup>1</sup>

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<sup>1</sup> As explained below, the authorizations to construct in Cases Nos. 109 and 119 expire April 11, 2011. The authorization to construct in Case No. 106 expires "five years from the original expiration date of February 7, 2006." Commission Decision No. 69177, Exhibit A, Condition 2 (Dockets Nos. L-00000V-00-0106 & L-00000V-01-0109). However, the "original expiration date" of the CEC in Case No. 106 was actually April 12, 2006. April 11, 2018 is approximately seven years from the end of the *intended* extension issued for Case No. 106 in Decision No. 69177 and, considering the related nature of the facilities, extending all three CECs to the same date makes practical sense.

1 Case No. 109 (Docket No. L-00000V-01-0109) involves GBPP's application for a  
2 CEC authorizing the construction of (i) the 500 kV Watermelon Switchyard, (ii) a 500 kV  
3 transmission line from the Gila Bend Power Plant to the Watermelon Switchyard, and  
4 (iii) a 500 kV interconnection at the Watermelon Switchyard. The Commission granted a  
5 CEC for these facilities in Decision No. 63762, and extended GBPP's authorization to  
6 construct the facilities in Decision No. 69177. GBPP's authorization to construct these  
7 facilities will expire on April 11, 2011, unless the Commission extends the time limitation  
8 as permitted by Decision No. 69177.

9 Case No. 119 (Docket No. L-00000V-02-0119) involves GBPP's application for a  
10 CEC authorizing the construction of a 500 kV transmission line from the Hassayampa  
11 Switchyard to the Jojoba Switchyard and associated switchyard components, to complete  
12 the interconnection of GBPP's Gila Bend Power Plant to the Palo Verde Hub. The  
13 Commission granted a CEC for these facilities in Decision No. 65866, and extended  
14 GBPP's authorization to construct the facilities in Decision No. 70323. GBPP's  
15 authorization to construct these facilities will expire on April 11, 2011, unless the  
16 Commission extends the time limitation as permitted by Decision No. 70323.

17 In this Application, the Commission decisions in Line Siting Cases Nos. 106, 109,  
18 and 119 are collectively referred to as the "GBPP CECs," and the collective facilities  
19 approved in the GBPP CECs are referred to as the "Project."

## 20 **II. Discussion**

21 The Commission should approve this application because (A) the need for new  
22 generation has been delayed by the unexpected recession, (B) GBPP remains committed to  
23 the Project, and (C) the Project will provide important benefits to the regional transmission  
24 system and to renewable generators in the state.

1           **A. The Recession has Delayed the Need for New Generation.**

2           As reported in the Commission's sixth biennial transmission assessment last month,  
3 the recent recession has postponed statewide energy demand projections by approximately  
4 four years from projections prepared in 2008.

5           As a result of the current economic conditions, the statewide demand  
6 forecast for the 2010-2019 ten year planning period has shifted by about  
7 four years since the 5<sup>th</sup> BTA [in December 2008] (i.e., it will take four years  
longer to reach the 2008 demand forecast levels)."<sup>2</sup>

8           Because the need for new generation has been delayed by the recession, an extension of  
9 the GBPP CECs is warranted and necessary to sustain the Project.

10          The Commission's finding of need for the Gila Bend Power Plant in Decision No.  
11 69177 is still applicable despite plans for the development of renewable resources in the  
12 Gila Bend area because renewable plants do not provide the "quick, short term, generation  
13 fixes for which [gas fired plants] are well suited."<sup>3</sup>

14           **B. GBPP Remains Committed to the Project.**

15          While the recession has made moving forward with construction of the Project  
16 infeasible to date, GBPP remains committed to the future viability of the Project. GBPP  
17 continues to invest time and money in the Project in order to keep it viable and positioned  
18 to move quickly when market-related circumstances are appropriate to begin construction.

19          As noted in prior proceedings in these dockets, as of January 18, 2008, GBPP had  
20 invested more than \$19,000,000 in the Project, including approximately \$12,400,000 in  
21 the much needed Hassayampa Switchyard.<sup>4</sup> GBPP has continued to invest in the Project  
22 since that time by maintaining required permits and approvals, complying with other

23 \_\_\_\_\_  
24 <sup>2</sup> Commission Decision No. 72031, Finding of Fact No. 6(a) (Docket No. E-00000D-09-0020).

25 <sup>3</sup> Commission Decision No. 69177, Finding of Fact No. 21 (Dockets Nos. L-00000V-00-0106 &  
L-00000V-01-0109).

26 <sup>4</sup> Gila Bend Power Partners' Application for Extension of Certificate of Environmental  
Compatibility, p.6, (Docket No. L-00000V-02-0119).

1 annual filing requirements, paying rents on rights of way over public lands, and  
2 participating in WECC planning activities and events. For example, GBPP maintains its  
3 Aquifer Protection Permit with ADEQ (including payment of the annual fee), files yearly  
4 EIA 860 Surveys with the Department of Energy, recently paid over \$50,000 in rent for a  
5 BLM right of way for 2011, sent a representative to an out-of-state WECC workshop, and  
6 regularly responds to surveys and information requests from WECC. In short, GBPP will  
7 have the Project in position to proceed with construction when the market determines it is  
8 needed.

9  
10 **C. The Project will Benefit the Regional Transmission System and Arizona  
Renewable Generators.**

11 The interconnection components of the Project will increase the adequacy and  
12 reliability of the regional transmission system. First, the transmission components of the  
13 Project will provide additional capacity to transmit power from the Gila Bend area to the  
14 Palo Verde Hub.

15 Staff notes that the Commission has authorized GBPP to build new  
16 transmission lines from Hassayampa to the Jojoba Switchyard and from the  
17 Watermelon Switchyard to the GBPP Switchyard. Staff states that these two  
18 line segments could be coupled with the two existing APS 500 kV lines  
between Jojoba and Watermelon to establish a transmission path to the Palo  
Verde Hub that originates at the GBPP power plant site.<sup>5</sup>

19 This increased transmission capacity will benefit other generation providers, including  
20 renewable generators located in the Gila Bend area. In early 2010, the Town of Gila Bend  
21 adopted a Solar Field Overlay Zone ordinance to assist solar developers in siting large  
22 generating facilities within the Town. Numerous solar generating facilities are planned for  
23

24 <sup>5</sup> Commission Decision No. 69177, Finding of Fact No. 22 (Dockets Nos. L-00000V-00-0106 &  
25 L-00000V-01-0109). *See also*, Commission Decision No. 70323, Finding of Fact No. 8 (Docket  
26 No. L-00000V-02-0119) (“[T]he transmission line approved in Decision No. 65866 completes  
the link of the GBPP power plant to the Palo Verde Hub via the Watermelon and Jojoba  
Switchyards ...”).

1 the area (including some outside of the Town limits) and the transmission components of  
2 the Project will assist in these broader renewable resource development efforts by  
3 providing additional capacity to the Palo Verde Hub.

4 A second component of the Project that will benefit the the regional transmission  
5 system is the new Watermelon Switchyard, authorized in Case No. 109. This new  
6 switchyard will provide another option for new generating facilities planned for the Gila  
7 Bend area to interconnect to the existing electrical grid.

8 Finally, the CEC in Case No. 106 contains several conditions that benefit the  
9 Arizona public by increasing the reliability of the regional transmission system. Condition  
10 No. 3 requires GBPP to submit a technical study regarding the sufficiency of transmission  
11 capacity “not more than twelve (12) months prior to the commercial operation of the  
12 plant.”<sup>6</sup> Also, Condition No. 16 requires that GBPP design and construct the Gila Bend  
13 Power Plant to accommodate two transmission lines interconnecting with the existing  
14 transmission system.<sup>7</sup> Both of these conditions remain in effect and will increase the  
15 reliability of the regional transmission system.

### 16 **III. Conclusion**

17 GBPP respectfully requests that GBPP’s authorization to construct the Project  
18 under the GBPP CECs be extended until February 7, 2018.

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<sup>6</sup> Commission Decision No. 63552, Condition No. 3 (Docket No. L-00000V-00-0106).

26 <sup>7</sup> *Id.* at Condition No. 16.